WEEKLY ECONOMIC REVIEW

May 9, 2008

Alberta's unemployment rate edged down from 3.4% in March to 3.3% in April. Employment in the province increased by 3,600 from March and 57,900 from April 2007, increasing total employment to over 2 million. The largest employment gains were in retail and wholesale trade (+4.3%) and accommodation and food services (+9.5%).

Nationally, the unemployment rate edged up 0.1 percentage points to 6.1% as more people entered the labour market to look for work. Other than Quebec and PEI, all of the provinces experienced employment gains in April. Meanwhile, the U.S. labour market was steady with the unemployment rate falling slightly to 5% and employment dropping by 20,000, a small decrease compared to the 240,000 loss in the first three months of 2008.

The Alberta housing market returned to its downward trend in April following a surge of activity in March. Starts fell to an annualized rate of 33,600 units in April, the lowest level since the beginning of 2005. The slowdown has been the most pronounced in the single-detached market, with urban starts down 50.5% over the first four months of 2008 compared to the same period in 2007. Multiple-family starts in Alberta were up 21.4% on a year-to-date basis although the increase was due entirely to exceptional growth in Calgary.

Cdn Dollar (US¢/CS)

May 9, 2008	99.4
May 2, 2008	98.2
2008-09 YTD	98.7

WTI Oil US$/bbl

May 8, 2008	$ 123.69
May 1, 2008	$ 112.52
2008-09 YTD	$ 114.00

Nymex Natural Gas CS/MMBtu*
May Contract

May 9, 2008	$11.59
May 2, 2008	$10.80

*Estimate based on Nymex Futures Market Price

After a very strong February, the value of building permits issued in Alberta dropped 32.9% in March. However, as a result of strong non-residential permit growth in Edmonton and Calgary in the first two months of the year, building permits were up 5.4% in the first quarter of 2008 compared to the same period in 2007.

The price of oil reached yet another record high this week, closing at US$123.69/bbl on Thursday and traded above US$126/bbl in mid-day trading on Friday. Natural gas prices also got a substantial lift on the back record oil prices despite an increase in U.S. gas inventories. In addition, strong energy prices and the upbeat employment report helped lift the Canadian dollar by more than a cent from last week.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/PreviousYear's Month(Y/Y)	Year-to-date[1]
Employment (thousands)[2]	**April**			
Alberta	2,008.1	0.2%	3%	3.2%
Canada	17,136	0.1%	2.1%	2%
Housing Starts[2,3]	**April**			
Alberta	33,600	-39%	-36.1%	-22.4%
Canada	213,900	-12%	-2.9%	2.1%
Building Permits ($ millions)[2]	**March**			
Alberta	997	-32.9%	-23.3%	5.4%
Canada	5,595	-4.5%	-8.7%	1.9%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted [3]Annualized rate